

SENATE NO. 1586

AN ACT RELATIVE TO THE CALCULATION OF RETIREE COLAS

*Be it enacted by the Senate and House of Representatives in General Court assembled,
And by the authority of the same, as follows:*

1 SECTION 1. Section 102 of Chapter 32 of the General Laws, as appearing in the 2004
2 Official Edition, is hereby amended by striking out subsection (c) and inserting in place thereof the
3 following subsection:

4 (c) In any case where such former employee, spouse, or other beneficiary is receiving an
5 annual retirement allowance, pension or annuity which is \$25,000 or more exclusive of additional
6 annuity obtained by special purchase under paragraph (g) of subdivision (1) of section 22 or any
7 similar law, the cost of living adjustment shall be in an amount determined by applying the
8 percentum of change determined pursuant to paragraph (a) to the maximum base amount of
9 \$25,000. Whenever a cost of living adjustment is granted pursuant to said paragraph (a), the dollar
10 amount of such increase as determined in said paragraph (a) shall be added to each retirement
11 allowance, pension or annuity which is in excess of said maximum base amount. The sum of the
12 dollar amount of such cost of living adjustments, together with the amount of retirement allowance,
13 pension or annuity to which the cost of living percentum factor is applied and any amounts in
14 excess of \$25,000 shall become the fixed retirement allowance, pension or annuity for all future

15 purposes including the application of subsequent cost of living adjustments in future years;
16 provided, however, that the limitations of this paragraph shall continue to apply.

17 SECTION 2. Paragraph (a) of section 103 of Chapter 32 of the General Laws, as so
18 appearing, is hereby amended by striking out in the fourth sentence the figure “\$12,000” and
19 inserting in its place the figure “\$25,000”.

20 SECTION 3. Section 103 of Chapter 32 of the General Laws is hereby amended by striking
21 out subsection (e) and inserting in place thereof the following subsection:

22 (e) In any case where such former employee, spouse, or other beneficiary is receiving an annual
23 retirement allowance, pension or annuity which is \$25,000 or more exclusive of additional annuity
24 obtained by special purchase under paragraph (g) of subdivision (1) of section 22 or any similar
25 law, the cost of living adjustment shall be in an amount determined by applying the percentum of
26 change set by the board pursuant to paragraph to (c) the maximum base amount of \$25,000. When
27 a cost of living adjustment is granted pursuant to said paragraph (c), the dollar amount of such
28 increase as determined in said paragraph (c) shall be added to each retirement allowance, pension or
29 annuity which is in excess of said maximum base amount. The sum of the dollar amount of such
30 cost of living adjustments, together with the amount of retirement allowance, pension or annuity to
31 which the cost of living percentum factor is applied and any amounts in excess of \$25,000 shall
32 become the fixed retirement allowance, pension or annuity for all future purposes including the
33 application of subsequent cost of living adjustments in future years; provided, however, that the
34 limitations of this paragraph shall continue to apply.